



Frequently Asked Questions: Raeden Data Center Proposal

Last Updated March 31, 2026

The proposed data center for 27800 W. Jefferson has brought forth many questions from concerned community members. Please refer to this document for answers to those questions.

Who is Raeden?

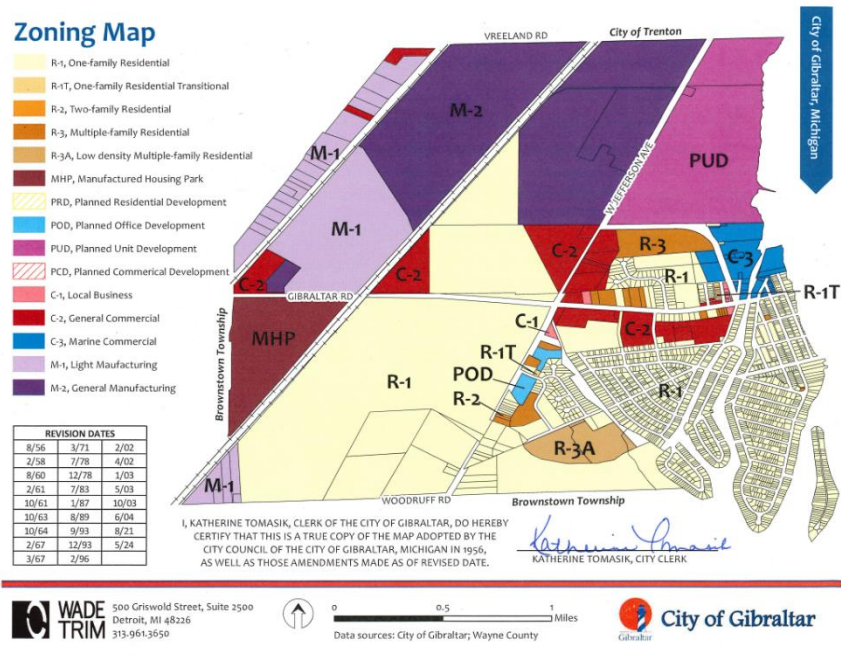
Raeden is a developer and operator that builds public storage for computers. Raeden provides the physical infrastructure while customers manage their own servers. Notable projects include the “Dream Center” in North Carolina and 615 W. Lafayette in Downtown Detroit.

What guarantees has Raeden made?

Raeden has expressed a willingness to publish environmental remediation plans and sound audit results for the public. They also proposed working with community members and partners (like the Wildlife Refuge) to conduct studies and ensure transparency throughout the development process. The City is looking into getting assurances and agreements in writing. The City cannot legally ask or require Raeden to provide a community benefit agreement (CBA). Additionally, no NDAs have been signed with Raeden or any other entity/individual regarding this development.

What is the zoning of the property, and does it allow data centers?

The property is currently zoned M-2, Medium Industrial. The City of Gibraltar code of ordinance Sec. 44-781 outlines that uses permitted include those uses allowed in the M-1 light manufacturing district as permitted and regulated under Sec. 44-700. Sec. 44-700 permits the use of *Research and development facilities, technical centers and laboratories, and any use charged with the principal function of basic research, design and pilot or experimental product development.*



Are there health concerns for surrounding residents located near a data center?

Modern data centers have been in existence since the 1990s, with hyperscale starting in the 2010s. Over that course of time, there has been no scientific evidence directly connecting the data center industry to any health concerns for surrounding residents, including children. However, the following concerns regarding cancer, pollution, etc., are often brought up, and more information is provided below.

Cancer Concerns from Electromagnetic Fields*

Independent scientific reviews show no established causal link between living near a data center and an increased cancer risk from the facility's infrastructure, such as electromagnetic fields (EMF). The type of EMF emitted by data centers is non-ionizing, similar to household electronics, office environments and power lines, and does not have enough energy to damage DNA directly, which is the mechanism necessary to cause cancer.

This FAQ document was produced utilizing both independent research conducted by the City of Gibraltar and information compiled by the City of Mason, Michigan. Information provided from the City of Mason will have an * next to it as reference.

Cancer Concerns from Nitrate Exposure*

Data centers DO NOT produce nitrates. A data center in Oregon is the source of these concerns, although the details of that situation are important. In Morrow County, Oregon and the Lower Umatilla Basin, nitrate contamination of groundwater has been a long-standing environmental and public health issue, first documented decades ago. Nitrates enter water primarily from fertilizer use on farmland, animal agriculture, and wastewater practices that allow nitrogen-rich water to leach into aquifers that local residents rely on for drinking water. Some of their wells have shown nitrate levels dozens of times higher than federal and state safety limits.

Long-term nitrate contamination is linked scientifically with health concerns such as “blue baby syndrome,” reproductive problems, and increased cancer risk at high concentrations in drinking water, particularly for infants and pregnant women. Data centers in the Morrow County region use large amounts of groundwater for evaporative cooling. The water they draw is already contaminated with nitrates (from agriculture and other long-standing sources). Because Morrow County data center cooling systems evaporate water but leave nitrates behind, the return flow can have even higher nitrate concentrations when it goes back into the wastewater system and ultimately into the environment. This has led Morrow County residents and advocates to assert that data center operations are “supercharging” the nitrate problem and thereby contributing to health effects like miscarriages and cancer clusters.

Industry and company statements dispute that data centers are a root cause: They do not add nitrates to water as contaminants. They argue that nitrate problems predate data center operations in the region and are driven mainly by agriculture and existing wastewater practices. They assert that their total water use is a small fraction of the overall system and not enough to materially change water quality outcomes on its own.

***Bottom Line:** The City of Gibraltar currently tests its drinking water for nitrates and nitrites, among a plethora of other analytes, on a routine basis as required by Michigan Department of Environment, Great Lakes, and Energy (EGLE) and the U.S. Environmental Protection Agency (EPA). Current testing indicates that Gibraltar’s water has nitrates significantly below any level of concern and nitrites at a non-detect level, unlike the area referenced above.*

Respiratory Risks*

The most documented health risk associated with data centers is air pollution linked to energy generation, particularly:

- **Diesel backup generators**, which are commonly used by data centers and can emit fine particulate matter (PM2.5) and nitrogen oxides (NOx).
- **Electricity generation** from fossil fuel-powered plants serving the grid by power companies.

These emissions are known to affect public health — including increased risks for respiratory problems, cardiovascular diseases, and lung cancer — but these risks are related to air pollution generally, not the data center itself producing toxic chemical emissions.

The World Health Organization (WHO), the EPA, and other health authorities classify diesel exhaust as a human carcinogen, meaning exposure to diesel emissions from backup generators can raise cancer risks if exposure is **high and prolonged**.

A data center in Memphis, Tennessee, is the major source of these concerns connected with data centers generally, although the specific details of that situation are important. Memphis became the site of a massive new data center, built by xAI, an artificial-intelligence company founded by Elon Musk. Because the facility's electricity demand far exceeded what was available from the local power grid, the company relied on on-site methane gas turbines to generate additional power. Residents claim xAI installed and operated dozens of methane gas turbines without the required environmental permits, instead exploiting a provision that temporarily exempts "mobile" engines for a short period.

Beyond federal requirements, EGLE regulates generator emissions and enforces EPA standards. Generators that are used on a regular basis are required to meet Tier 4 emissions standards, which are the most stringent currently in effect. However, generators designated solely for backup emergency power are exempt from this requirement. While the EPA does not impose a limit on the number of hours an emergency generator may operate during actual emergency conditions, it does restrict emergency generators to a maximum of 50 hours per year for maintenance and testing purposes.

How will a data center impact the environment and wildlife?

The facility must comply with the state mandated EGLE (Michigan Department of Environment, Great Lakes, and Energy) program, which requires a thorough review and permitting process. The City is currently reviewing its zoning ordinance to ensure adequate protection for the environment and wildlife. Raeden is also speaking directly with the Wildlife Refuge to address their concerns.

How will the city benefit?

Economically: The City will benefit economically in a variety of ways beginning with tax revenue. They are also currently anticipating 60-100 full time jobs with the lowest paid position starting at \$77,000 on the site with additional jobs for local contractors on an ongoing basis (electricians, HVAC, etc). To qualify for state incentives, all jobs will have to be employed by employees living locally. In addition, it will provide an ancillary boost to our local restaurants and stores due to the increase in employment levels.

Site remediation and beautification: Raeden committed to following rules and regulations to remediate the legacy industrial site, including the removal of outbuildings and cleaning the interior with plans validated by engineers. If Raeden is able to purchase

the Superfund site, they intend on remediating it. This will improve not just that site, but the outfall into from the Frank Poet drain.

City Services: This development takes an old manufacturing site that could likely return to a vacant property that creates a drain on our police and fire resources with little to no tax revenue and turning it into a revenue generating facility for the city, increasing security, having their own fire suppression controls, and creating a sustainable economic use into the future.

How will a data center impact Gibraltar’s infrastructure?

The facility will use between 200-500 gallons of water per day. This use is garnered from employees utilizing bathrooms and faucets. On the high end this annual usage of 182,500 gallons represents only 8.5% of the annual water used by the current occupant of the facility who used 2.12 million gallons in 2025. This would result in decreased pressure on our water and sewer infrastructure.

The City has spoken with DTE and has been assured that Michigan’s utility rates work differently than those in other states and the residential rate payers cannot be negatively impacted due to data centers. Additionally, state law requires that Raeden would have to pay for any system upgrades themselves, that financial burden cannot be placed on the residential rate payers. More information can be found on [DTE’s Data Centers and Customer Rate Protection](#) page.

Has the City offered any tax incentives?

No. The City has not and does not intend on offering tax incentives. As this site is in the Downriver Area Brownfield Consortium, gains on the real property value will be captured by the Brownfield Consortium and City tax revenue will be derived from commercial personal property tax. Commercial personal property is a tax on personal property defined as movable items that are not permanently attached to land or buildings. Importantly for data centers, computers and electronic equipment are taxed as personal property. The City is working with Raeden and our assessing department to determine what the tax implication will be to the City based on the specific equipment they intend on deploying. It is important to note that unlike real property, personal property depreciates over time. During the first year of equipment deployment, it will be assessed at 60% of its true cash value and 8% by year seven. This kind of equipment does need to be replaced regularly, and the depreciation schedule would start over each time that occurs. However, this does mean that the tax revenue collected for the City would not be the same year to year. For more information, see the [University of Michigan Graham Sustainability Institute’s Data Center Guidebook](#).

Raeden is working on an economic impact study specific to their project, however the [Anderson Economic Group, LLC](#) published an economic study depicting the following projected revenues for 100MW facilities:

	One Year of Revenue	Twenty Years of Revenue
County Government	\$2,513,500	\$50,270,000

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Local Authorities	\$628,500	\$12,570,000
Schools	\$2,304,000	\$46,080,000

What is the Federal Government’s role in data center development? *

President Trump has expressed strong support for a rapid expansion of data center infrastructure tied to AI. He considers it critical infrastructure, a matter of national security, and economic competitiveness. Specifically in July 2025, he signed an executive order to streamline federal permitting for data center infrastructure, speed up regulatory reviews, and expand financial support (e.g., grants, loans, tax incentives) for large-scale projects.

What is the State of Michigan’s role in data center development? *

Governor Whitmer emphasized that Michigan should act quickly to secure data center development in competition with other states and global competitors like China. "Right now, time is of the essence," Whitmer wrote. "There is a shortage of global computing capacity, and China is moving aggressively to build their own centers and get a leg up on America." Source: ['TIME IS OF THE ESSENCE' | Whitmer supports Michigan's biggest investment ever: Multi-billion dollar AI data center | wzzm13.com](#)

Michigan recently expanded tax incentives for large-scale data centers through legislation providing sales and use tax exemptions that are intended to invite data center investment into the State of Michigan. The new Enterprise Data Center Sales & Use Tax Exemptions took effect in Michigan on April 2, 2025 (use tax) and April 17, 2025 (sales tax), eliminating Michigan’s 6% sales and use tax on eligible data center construction and equipment purchases. [Public Act 181 of 2024 and Public Act 207 of 2024](#)

While it is anticipated that most data center projects will fall under “enterprise” data centers, which have a much higher threshold for qualification than “qualified” data centers. There are key differences in requirements that are described below:

	Qualified Data Center	Enterprise Data Center
Key definitional feature	Must receive 75% or more of revenue from co-located businesses that are not affiliates of the owner/operator	Must have a minimum of \$250M equipment investment
Job Requirements	400-1,000 aggregate statewide before 2026	30 per facility at 150% median prosperity wage

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Clean Energy	No requirements	90% of usage (interpretation unclear, see below)
Green Standards	No requirements	One or more certified standards within 3 years
Water Source	No requirements	Municipal
Property Tax	No requirements	Cannot receive sunset, state, or local property tax benefits without local approval
Utility Rates (Energy)	No requirements	Cannot use subsidized rates that shift costs to residential customers
Certification Requirements/ Details	The purchaser must provide Michigan Sales and Use Tax Certificate of Exemption (Form 3372) to its seller. Must also file Form 5726	Must receive Michigan Strategic Fund certification before making purchases that are qualified for the exemption. No new certifications after 12/31/29.
Revocation	No requirements	If certification is revoked, repayment of all related tax exemptions is required (if the revocation occurs 10 years after certification, 50% of the tax exemptions must be repaid).

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